

THESIS / THÈSE

DOCTOR OF ECONOMICS AND BUSINESS MANAGEMENT

Essays in development economics

Serfilippi, Elena

Award date:
2016

Awarding institution:
University of Namur

[Link to publication](#)

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

The first chapter, Advocacy NGOs, develops a theoretical model in which NGOs financed by foreign donors engage in two types of activities in a developing country: service provision and advocacy. In the model, service provision relieves poverty, but these aid resources risk embezzlement by corrupt authorities. Advocacy can encourage the local population to demand more transparency to the authorities, reducing embezzlement at the cost of investing fewer efforts in direct poverty alleviation. We find that in general advocacy will be under-provided because its benefit, improved governance, has the characteristics of a public good. NGOs can remedy to this under-provision by coordinating their actions, but because this coordination threatens the rents of the local authorities, officials will respond to coordination attempts by cracking down on NGOs. Full coordination is therefore undesirable: crackdown of NGOs will be too strong, which reduces service provision and hurts beneficiaries.

The second chapter, Discontinuity of Preferences and Insurance Demand: Results from a framed field experiment in Burkina Faso, explores how discontinuous preference over certain and uncertain outcomes have a dampening effect on the insurance demand. The intuition is that if agents exhibit a disproportionate preference for certain outcomes, they would undervalue uncertain insurance indemnity payments compared to certain premium cost and exhibit lower demand for insurance compared to a classic expected utility maximizer. Inspired by the seminal work of Andreoni and Sprenger, we design games to identify agents with a disproportionate preference for certain outcomes and play them with cotton farmers in Western Burkina-Faso. We then provide experimental evidence that this is a powerful framework to understand demand for micro-insurance. Specifically, we show that agents with discontinuous preference respond positively to an alternative presentation of a classic insurance contract: they are willing to pay more for a given contract if the premium cost is artificially made uncertain by being directly deducted from indemnity payments. We also explore alternative behavioral arguments such as loss aversion, but argue that they offer less appealing framework to understand the full set of our results. Our results have practical implications for the design of insurance contracts.

The third chapter, Learning and Channels of Information Transmission: The adoption of Genetically modified cotton in Burkina Faso, investigates the role of learning in the adoption and dis-adoption of a new agricultural technology. Using a household panel dataset containing detailed informations on the adoption of genetically modified (GM) cotton seeds varieties, we present evidences on how farmers' decisions to adopt and dis-adopt a new agricultural technology depend on social learning and on learning by doing. We find that, in general, in the process of adoption, farmers evaluate more the information signal coming from their own experience with the new technology than the one of their information network. In particular, we find that the experience of other farmers can only be complementary to individual farmers' experience. Moreover, thanks to detailed informations concerning the first year in which the technology has been in use, we are able to identify the characteristics of the first adopters and the channel of information transmission between farmers. In particular, we find that big producers are the first one to adopt the new technology, but leader farmers have

a strategic role in the information transmission from big producers to ordinary farmers.